

PRESS RELEASE

Residents Question City's Proposal To Lease Water System

14% Water & Sewer Rate Increase

Residents water and sewer rates will increase by close to 14%, and city officials want to lease the Newark's water system to a non-profit corporation. These were two things which residents learned at a Public Hearing held by the City Council on Nov. 26. During December, Councilwoman Bridgeforth in the west ward, and Councilman Corchado in the north ward have each held public meetings in their wards to discuss the proposal with residents. Questions about and opposition to such a sale have been expressed at both meetings.

City officials want to lease the Newark water system to the Newark Watershed and Development Corporation, a non-profit company which oversees the watershed land in Morris, Sussex and Passaic Counties. The new company would then float bonds and pay the city \$30 million a year for three years. Borrowing money means taxpayers will have to pay the money back with interest, in addition to paying the cost of running the water system through water fees. City officials said that there was that the immediate rate increase was going to happen anyway – irregardless of the proposed lease deal.

Residents who found out about the hearing and attended it raised many questions about the deal, which one person called simply a way to "generate quick cash." A number of people asked why the City did not continue to run the water system, as it has been doing.

Another question raised by residents was what the City would do with the money generated. While Newark residents were told the money would be used for "tax relief", or capital expenditures related to water, others around the state were being told that the money would go to the help fund a sports arena in Newark.

A number of residents asked questions about what would happen to the employees who work in the Water Department for the City now. The answer was that they would be guaranteed two years of employment. After that the City would be responsible for finding work in other departments for those who lose their jobs.

A number of residents asked whether those who speak Spanish or Portuguese received any notice of the Public Hearing. The answer was that legally all the City was required to do was to publicize the hearing in the Star Ledger. Speakers raised questions about the fact that many residents of Newark were not aware of the City's plan.

No public hearing has been called on this issue for the East Ward.